

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1
OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **AUG 15 2012**

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JOHN S. DOWLING & COMPANY
A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
1904-1984
John Newton Stout, CPA
1936-2005

Retired

Harold Dupre, CPA
1996
Dwight Ledoux, CPA
1998
Joel Landos, Jr., CPA
2003
Russell J. Stelly, CPA
2005

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
Consolidated Gravity Drainage District No. 1
of Ward 3 of St. Landry Parish
Arnaudville, Louisiana

We have audited the accompanying financial statements of the governmental activities and the major fund of the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish, a component unit of the St. Landry Parish Government, as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in Governmental Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish, as of December 31, 2011 and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2012, on our consideration of the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule on page 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Board of Commissioners
Consolidated Gravity Drainage District No. 1
of Ward 3 of St. Landry Parish
Arnaudville, Louisiana
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The Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

John S Dowley 260

Opelousas, Louisiana
June 21, 2012

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

GOVERNMENTAL ACTIVITIES

ASSETS

Cash	\$ 605,865
Checks on hand	15,889
Property taxes receivable, net	758,001
Prepaid insurance	12,299
State revenue sharing receivable	8,245
Capital assets, net	381,929
<u>Total assets</u>	<u>1,782,228</u>

LIABILITIES

Accounts payable	5,172
Salaries payable	233
Payroll taxes payable	1,856
<u>Total liabilities</u>	<u>7,261</u>

FUND ASSETS

Invested in capital assets, net of related debt	381,929
Unrestricted	1,393,038
<u>Total net assets</u>	<u>1,774,967</u>

The accompanying notes are an integral part of this statement.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

NET (EXPENSES) REVENUES AND
CHANGES IN NET ASSETS
GOVERNMENTAL ACTIVITIES

ACTIVITIES

Governmental Activities

General and Administrative	<u>\$ (205,937)</u>
<u>Total governmental activities</u>	<u>(205,937)</u>
General Revenues	
Property taxes	782,089
State revenue sharing	<u>12,377</u>
<u>Total general revenues</u>	<u>794,466</u>
Change in net assets	588,529
Net assets – January 1, 2011	<u>1,186,438</u>
Net assets – December 31, 2011	<u><u>1,774,967</u></u>

The accompanying notes are an integral part of this statement.

FUND FINANCIAL STATEMENTS

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
BALANCE SHEET – GOVERNMENTAL FUND
DECEMBER 31, 2011

ASSETS

Cash	\$ 605,865
Checks on hand	15,889
Property taxes receivable, net	758,001
State revenue sharing receivable	<u>8,245</u>
<u>Total assets</u>	<u>1,388,000</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

Accounts payable	\$ 5,172
Salaries payable	233
Payroll taxes payable	<u>1,856</u>
<u>Total liabilities</u>	<u>7,261</u>

FUND EQUITY

Fund balance	
Committed	12,000
Unassigned	<u>1,368,739</u>
<u>Total fund equity</u>	<u>1,380,739</u>
<u>Total liabilities and fund equity</u>	<u>1,388,000</u>

The accompanying notes are an integral part of this statement.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Total fund balance for the Governmental Fund at December 31, 2011		\$ 1,380,739
Cost of capital assets at December 31, 2011	\$573,607	
Less: Accumulated depreciation as of December 31, 2011	<u>(191,678)</u>	381,929
Prepaid insurance at December 31, 2011		<u>12,299</u>
Net assets at December 31, 2011		<u><u>1,774,967</u></u>

The accompanying notes are an integral part of this statement.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GOVERNMENTAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

REVENUES

Taxes	
Property taxes	\$ 782,089
Intergovernmental revenues	
State revenue sharing	12,377
<u>Total revenues</u>	<u>794,466</u>

EXPENDITURES

Current	
General and administrative	
Engineering assistance	500
Fuel and oil	38,328
Insurance	14,086
Salaries	48,966
Licenses and fees	35
Legal publications	866
Miscellaneous expense	1,081
Election expense	4,576
Office expense	1,200
Per diem and mileage	13,114
Professional fees	3,000
Rent	300
Repairs and maintenance	41,035
Bank service charge	120
Salary-	
Secretary/treasurer	5,700
Taxes-payroll	4,456
Telephone	240
Capital outlay	2,446
Debt service	
Principle	77,574
Interest	1,691
<u>Total expenditures</u>	<u>259,292</u>

NET CHANGE IN FUND BALANCE 535,174

FUND BALANCE, beginning of year 845,565

FUND BALANCE, end of year 1,380,739

The accompanying notes are an integral part of this statement.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Total net change in fund balance for the year ended December 31, 2011 per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 535,174
Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 2,446	
Depreciation expense for year ended December 31, 2011	<u>(23,590)</u>	(21,144)
Decrease in prepaid insurance		(3,075)
Payoff of capital lease		<u>77,574</u>
Total change in net assets for the year ended December 31, 2011 per Statement of Activities		<u>588,529</u>

The accompanying notes are an integral part of this statement.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish, Arnaudville, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsection of this note.

The following is a summary of certain significant accounting policies and practices of the District.

A. FINANCIAL REPORTING ENTITY

The Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish was established for the purpose of opening and maintaining all natural drains in the District, where drainage is accomplished using the natural force of gravity.

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Government is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (parish government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the parish government appoints the District's governing body, the District was determined to be a component unit of the St. Landry Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the parish government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

B. BASIS OF PRESENTATION

Government-wide Financial Statements (GWFS). The Statement of Net Assets and the Statement of Activities display information on all of the nonfiduciary activities the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. The Governmental Fund of the District includes:

General Fund

The General Fund is the general operating fund of the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish. It is used to account for all financial resources except those required to be accounted for in other funds.

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Purchase of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund-type inventories are recorded as expenditures when purchased and items on hand at year-end, if any, are not recorded as assets. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)

Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

1. Invested in capital assets, net of related debt - Consist of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net assets - Consist of net assets with constraints placed on the use either by (1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
3. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance reports aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. Proprietary fund equity is classified the same as in the government-wide statements.

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned and unassigned.

1. Restricted fund balance – This classification reflects the constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions for enabling legislation.
2. Committed fund balance – These amounts can only be used for specific purposes pursuant to constraints imposed by formal resolutions or ordinances of the Board of Directors – the government's highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the Board of Directors removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
3. Assigned fund balance – This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The Board of Directors have the authority to assign amounts to be used for specific purposes. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable and are neither restricted nor committed.
4. Unassigned fund balance – This fund balance is the residual classification for the General Fund. It is also used to report negative fund balances in other governmental funds.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

C. **MEASUREMENT FOCUS/BASIS OF ACCOUNTING (Continued)**

Equity Classifications (Continued)

When both restricted and unrestricted resources are available for use, it is the District's policy to use externally restricted resources first, then unrestricted resources – committed, assigned and unassigned – in order as needed.

D. **BUDGETS AND BUDGETARY ACCOUNTING**

The District is required by state law to adopt an annual budget for its General Fund. The budget is adopted on a cash basis. The Board of Commissioners may authorize revisions requiring alteration of levels of expenditures. Operating appropriations lapse at year-end.

The operating budget was adopted at a meeting held on December 8, 2010.

The revenues, expenditures and fund balance shown on page 7 are reconciled with the amounts reflected in the budget comparisons on page 17 as follows:

	<u>GENERAL FUND</u>
Revenues - page 7	\$ 794,466
Add: Prior year property taxes receivable	489,898
Prior year state revenue sharing receivable	9,156
Prior year cash on hand	26,412
Less: Current year property tax receivable	(758,001)
Current state revenue sharing receivable	(8,245)
Current year cash on hand	<u>(15,888)</u>
Revenues - page 17	<u>537,797</u>
Expenditures - page 7	\$ 259,292
Less: Prior year payables	(298)
Less: Current year payables	<u>(5,405)</u>
Expenditures - page 17	<u>253,589</u>
Fund balance, end of year - page 7	\$1,380,739
Add: Current year payables	5,405
Prior year cash on hand	26,412
Less: Current year receivables	(766,246)
Current year cash on hand	<u>(15,888)</u>
Fund balance, end of year - page 17	<u>630,421</u>

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. ENCUMBRANCES

Encumbrance accounting is not used by the Drainage District.

F. INVESTMENTS AND CASH

Investments are stated at cost or amortized cost, which approximates market.

Louisiana statutes authorize the District to invest in United States bonds, treasury notes or certificates of deposit in state and national banks, or any other federally insured investment.

G. FIXED ASSETS

The accounting treatment over property, plant and equipment (capital assets) depends on whether they are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Prior to GASB No. 34, governments were not required to report general infrastructure assets. Although now required to capitalize infrastructure, the District, due to the nature of its operations, did not have infrastructure expenditures. Also, interest costs during construction are not capitalized.

In the government-wide financial statements, capital assets are capitalized at historical cost, or estimated historical cost if actual is unavailable, except for donated assets, which are recorded at their estimated fair value at the date of donation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	20 - 40 years
Furniture and equipment	5 - 25 years
Vehicles	5 - 15 years

H. PENSION PLANS

The Drainage District does not have a pension plan. The employees of the Drainage District participate in the Social Security Retirement System.

2. CASH AND INVESTMENTS

At December 31, 2011 the total bank balance of the District's deposits was \$607,491. The entire bank balance was covered by federal depository insurance.

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

3. PROPERTY TAXES

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the tax assessor of St. Landry Parish.

For the year ended December 31, 2011, a tax millage of 14.36 was assessed for maintenance. As per state requirements, each taxing district of the parish must remit 3.15% of total ad valorem taxes per the tax roll to the pension fund. This amount is determined by the legislative auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the pension fund amount owed and the remainder is remitted to the taxing district. Therefore, property taxes are shown net of pension fund distributions as follows:

	<u>Total Tax Per Roll</u>	<u>Pension Fund Requirements</u>	<u>Property Tax Receivable</u>
General Fund	\$ 805,236	\$ (25,365)	\$ 779,871

4. PROPERTY TAXES RECEIVABLE

A breakdown of property taxes receivable as of December, 2011 is as follows:

	<u>Taxes Receivable</u>	<u>Estimated Uncollectible</u>	<u>Collections in December</u>	<u>Net Taxes Receivable</u>
General Fund	\$ 779,871	\$ (10,103)	\$ (11,767)	\$ 758,001

5. CAPITAL ASSETS AND DEPRECIATION

Capital assets and depreciation activity as of and for the year ended December 31, 2011, for the District are as follows:

	<u>Balances 1/1/2011</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balances 12/31/2011</u>
Governmental activities				
Equipment	\$571,161	\$ 2,446	\$ -	\$573,607
<u>Totals at historical cost</u>	<u>571,161</u>	<u>2,446</u>	<u>-</u>	<u>573,607</u>
Less accumulated depreciation				
Equipment	(168,088)	(23,590)	-	(191,678)
<u>Total accumulated depreciation</u>	<u>(168,088)</u>	<u>(23,590)</u>	<u>-</u>	<u>(191,678)</u>
Governmental activities				
Capital assets, net	<u>403,073</u>	<u>(21,144)</u>	<u>-</u>	<u>381,929</u>

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH H
ARNAUDVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011

6. PER DIEM AND MILEAGE

Per diem and mileage paid to board members are summarized below:

<u>Board Members</u>	<u>2011</u>
Arcade Courville	\$ 2,616
Teddy Stelly	2,626
Creighton Dugas	2,636
Donald Meche	2,620
Alvin Mallet	2,616
Total	<u>13,114</u>

7. DEFICITS IN INDIVIDUAL FUND

The District did not have a deficit fund balance at December 31, 2011.

8. CHANGES IN LONG-TERM DEBT

On November 23, 2010, the Board entered into a capital lease for a KOBELCO SK 260 Excavator in the amount of \$77,574 with a 3.5% interest rate. The lease is for a term of 60 months with monthly payments of \$1,410.51. The lease was paid in full in April of 2011.

	<u>Balance 1/1/2011</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 12/31/2011</u>
CLM Equipment leases	<u>\$ 77,574</u>	<u>\$ -</u>	<u>\$ 77,574</u>	<u>\$ -</u>
Total	<u>77,574</u>	<u>-</u>	<u>77,574</u>	<u>-</u>

9. RESERVES OF FUND EQUITY

Per the board meeting held on April 3, 2003, the District shall hold in reserve \$12,000 of property tax revenue for a liability that may result from property taxes paid under protest.

10. SUBSEQUENT EVENTS

Subsequent events were evaluated through June 21, 2012, which is the date the financial statements were available to be issued. As of June 21, 2012, there were no subsequent events noted.

11. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

The District does not provide any post-employment benefits to retirees and therefore is not required to report under GASB No. 45, Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions.

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE

CONSOLIDATED GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY COMPARISON SCHEDULE (CASH BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2011

	GENERAL FUND			VARIANCE
	ORIGINAL	FINAL	ACTUAL	FAVORABLE (UNFAVORABLE)
REVENUES				
Taxes				
Property taxes	\$ 400,000	\$ 416,000	\$524,053	\$ 108,053
Intergovernmental revenues				
State revenue sharing	13,000	13,557	13,744	187
Insurance proceeds				-
<u>Total revenues</u>	<u>413,000</u>	<u>429,557</u>	<u>537,797</u>	<u>108,240</u>
EXPENDITURES				
Current				
General and administrative				
Engineering assistance	500	500	500	-
Fuel and oil	20,000	38,234	38,137	97
Insurance	30,100	14,086	14,086	-
Labor	45,000	47,446	48,966	(1,520)
Legal publication	100	1,000	866	134
Miscellaneous expense	265	957	1,019	(62)
Office expense	1,200	1,200	1,200	-
Per diem and mileage	13,114	13,114	13,114	-
Professional fees	2,500	3,000	3,000	-
Rent	300	300	300	-
Repairs and maintenance	20,000	36,772	36,350	422
Salary- secretary/ treasurer	5,700	5,700	5,700	-
Election expense	-	4,576	4,576	-
Taxes - payroll	5,700	5,750	3,824	1,926
Telephone	200	240	240	-
Excavator note	63,000	79,265	79,265	-
Capital outlay	-	2,446	2,446	-
<u>Total expenditures</u>	<u>207,679</u>	<u>254,586</u>	<u>253,589</u>	<u>997</u>
NET CHANGE IN FUND BALANCE	<u>205,321</u>	<u>174,971</u>	284,208	<u>109,237</u>
FUND BALANCE, beginning of year			<u>346,213</u>	
FUND BALANCE, end of year			<u>630,421</u>	

RELATED REPORTS

Chizal S. Fontenot, CPA
 James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA
 Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
 1904-1984
 John Newton Stout, CPA
 1938-2005

Retired

Harold Dupre, CPA
 1996
 Dwight Ledoux, CPA
 1998
 Joel Landos, Jr., CPA
 2003
 Russell J. Steffy, CPA
 2005

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
 REPORTING AND ON COMPLIANCE AND OTHER MATTERS
 BASED ON AN AUDIT OF FINANCIAL
 STATEMENTS PERFORMED IN ACCORDANCE
 WITH GOVERNMENT AUDITING STANDARDS**

The Board of Commissioners
 Consolidated Gravity Drainage District No. 1
 of Ward 3 of St. Landry Parish
 Arnaudville, Louisiana

We have audited the financial statements of the governmental activities and each major fund of the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish, as of and for the year ended December 31, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated June 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that the material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

The Board of Commissioners
Consolidated Gravity Drainage District No. 1
of Ward 3 of St. Landry Parish
Arnaudville, Louisiana
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish, its Commissioners and the appropriate regulatory agency and is not intended to be and should not be used by anyone other than these specified parties.

John S Dowley & Co
Opelousas, Louisiana
June 21, 2012

GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2011

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish.
2. No significant control deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the Consolidated Gravity Drainage District No. 1 of Ward 3 of St. Landry Parish were disclosed during the audit.
4. There was no single audit required under OMB Circular A-133.

B. 2011 FINDINGS- FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COST - MAJOR FEDERAL AWARDS PROGRAM AUDIT

N/A

GRAVITY DRAINAGE DISTRICT NO. 1 OF WARD 3 OF ST. LANDRY PARISH
ARNAUDVILLE, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
DECEMBER 31, 2011

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

N/A

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

N/A

SECTION III - MANAGEMENT LETTER

2010 - 1 Board approved issuance of \$100 bonus to the District's secretary.

Resolved